

CHAPTER NO. 764

SENATE BILL NO. 1091

**By Cooper, McLeary, Herron, Burchett, Burks, Bowers, Cohen, Williams,
Beavers, Black, Bryson, Crowe, Crutchfield, Finney, Fowler, Harper,
Haynes, Jackson, Ketron, Kilby, Kurita, Kyle, McNally, Miller, Norris, Curtis
S. Person, Jr., Ramsey, Southerland, Tracy, Woodson,
Mr. Speaker Wilder**

Substituted for: House Bill No. 1013

**By Marrero, Bowers, Sontany, Ulysses Jones, Kernell, Lois DeBerry, John
Deberry, Mike Turner, McMillan, Borchert, Shepard, Todd, Larry Turner,
Miller, Mr. Speaker Naifeh, Favors, Langster, Hackworth**

AN ACT to amend Tennessee Code Annotated, Title 36, Chapter 5 and Title 56,
relative to insurance coverage of spouses and former spouses.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF
TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is
amended by adding the following language as a new appropriately designated
section:

56-7-2365.

(a) Every insured or policy holder of a group policy of accident and
sickness insurance offered for sale in this state, which provides coverage
for hospital or medical expenses that also provides coverage to the
spouse of the insured, shall provide at least thirty (30) days prior notice of
the termination of coverage to the covered spouse when a divorce, a
legal separation, or other separation, between the insured and the
covered spouse has occurred or has been filed for by the husband or wife
or such divorce or separation has become final. The notice shall be
written and shall be transmitted by certified mail to the last known address
of the spouse.

(b) (1) The notice shall advise the spouse who is to be terminated
that when the divorce is final that such spouse shall not be eligible
for continued coverage under the policy. The notice shall also
advise the spouse of the availability of the COBRA continuation
provision and of the procedures for applying for such coverage,
including identifying who should be contacted to obtain such
coverage. The notice shall indicate that the spouse who is to be
terminated will be without health insurance coverage from the
insured's policy and that the spouse must obtain coverage under
COBRA continuation, or a separate source of insurance, if the
spouse wishes to retain health insurance coverage.

(2) For the purposes of this subsection, "COBRA continuation provision" means any of the following:

(A) The Internal Revenue Code of 1986, § 4980B, other than subdivision (f)(1) of such section insofar as it relates to pediatric vaccines;

(B) ERISA, Part 6 of Subtitle B of Title I, other than § 609; or

(C) The Public Health Service Act, Title XXII.

(c) As an employer, in the course of business, updates the plan summary for any group policy of accident and sickness insurance that it may offer to its employees, the employer shall include a notice of the provisions of this section in such summary.

(d) The attorney for the insured in any action for divorce shall advise the insured or policy holder of the obligation imposed by the provisions of this section.

(e) The administrative office of the courts shall develop a model notice to reflect the provisions of this section.


SECTION 2. Tennessee Code Annotated, Title 36, is amended by adding the following as a new, appropriately designated section:

Section __. On and after January 1, 2007, before entering an order or decree for a divorce or a legal separation under this title, the court shall determine that the provisions of Section 1, if applicable, of this act have been complied with by the appropriate spouse. If the court determines that the notification process has not been followed, then the court shall consider requiring the insured or covered individual to provide a health care insurance policy for the former spouse.

SECTION 3. This act shall take effect January 1, 2007, the public welfare requiring it.

PASSED: May 11, 2006


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 26th day of May 2006


PHIL BREDESEN, GOVERNOR